

# Fiscal Note

State of Alaska  
2024 Legislative Session

Bill Version:	HB 144
Fiscal Note Number:	3
(H) Publish Date:	4/22/2024

Identifier: HB144-DOR-TAX-3-15-24  
 Title: REPEAL EDUCATION TAX CREDITS SUNSET  
 Sponsor: RUFFRIDGE  
 Requester: (H) Finance

Department: Department of Revenue  
 Appropriation: Taxation and Treasury  
 Allocation: Tax Division  
 OMB Component Number: 2476

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2025	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2025 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>OPERATING EXPENDITURES</b>	<b>FY 2025</b>	<b>FY 2025</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

1004 Gen Fund (UGF)	(1,500.0)		(3,100.0)	(3,100.0)	(3,100.0)	(3,100.0)	(3,100.0)	(3,100.0)
<b>Total</b>	<b>(1,500.0)</b>	<b>0.0</b>	<b>(3,100.0)</b>	<b>(3,100.0)</b>	<b>(3,100.0)</b>	<b>(3,100.0)</b>	<b>(3,100.0)</b>	<b>(3,100.0)</b>

**Estimated SUPPLEMENTAL (FY2024) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2025) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

**Why this fiscal note differs from previous version/comments:**

Updated from SLA2023 to SLA2024 fiscal note template. Updated the change in revenues based on an updated fiscal analysis.
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 Agency: Department of Revenue

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## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2024 LEGISLATIVE SESSION**Analysis****Background**

The education tax credit is a credit for qualifying contributions to Alaska universities and accredited nonprofit Alaska two- or four-year colleges for facilities, direct instruction, research and educational support purposes; donations to a school district or a state-operated technical and training school for vocational education courses, programs and facilities; and donations for Alaska Native cultural or heritage programs for public school staff and students, and a facility in the state that qualifies as a coastal ecosystem learning center under the Coastal American Partnership.

The credit is available to be claimed against insurance premiums tax, title insurance premiums tax, corporate income tax, oil and gas production tax, oil and gas property tax, mining license tax, fisheries business tax, and fishery resource landing tax. The credit for any one taxpayer cannot exceed \$1 million annually across all tax types. The credit is currently scheduled to sunset on January 1, 2025.

The bill repeals the sunset provisions.

**Revenue Impact**

The change in revenues reported here only include those eligible tax programs administered by the Department of Revenue (Department). The bill's fiscal impacts is from eliminating the current repeal provisions beyond 2025. The revenue impact of eliminating the sunset provisions assumes similar average usage to the past three years will continue for the foreseeable future.

**Implementation Cost**

This legislation would require the Department to make minor changes to its Tax Revenue Management System ("TRMS"). Resources required to implement this bill would include staff time to updated tax forms, TRMS, and Revenue Online, and other miscellaneous costs when applicable. These costs will be absorbed by the Tax Division using existing resources.